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## THE AUDUBON NATURE INSTITUTE SPENT \$416,261 THAT MAY HAVE VIOLATED THE CONSTITUTION AND \$579,570 THAT MAY HAVE VIOLATED THE CODE OF ETHICS

As detailed in the Audubon Commission (Commission) and Audubon Nature Institute (Institute) Use of Funds Audit report released today, the Office of Inspector General (OIG) conducted a performance audit of the Institute's use of funds for the period of January 1, 2012 through December 31, 2014.

The Institute entered into two verbal contracts with two lobbying firms for services the Institute described as "lobbying." The Institute paid \$416,261 to these firms which may have violated Louisiana Constitution article VII, section 14(A) because it could not establish the services received were at least equivalent value in exchange for the expenditure or transfer of the Commission's public funds. The Institute may have also violated Louisiana Constitution article XI, section 4 by using Commission funds to pay for those lobbying services.

The Institute paid \$416,261 for these services without a competitive bid process or a written contract. Furthermore, the Institute paid these invoices without sufficient information, such as dates, hours, and/or the nature of services provided. Because the Institute did not competitively purchase these services, no RFP/RFQs exist describing services to be rendered.

In an attempt to describe the services rendered, the Institute provided the OIG various emails between the Institute and the lobbying firms which also indicated unconstitutional lobbying. The Institute requested one of the lobbying firms to provide a letter describing the services rendered over five years earlier. In that letter, the lobbyist acknowledged, "As a contract government affairs representative for the Audubon Nature Institute I <u>advocated for Audubon with the Legislative</u> and Executive <u>Branches</u> of the Federal government..." (Emphasis added.) The Institute failed to acknowledge the "advocacy" in their response to our report.

The OIG also identified verbal contracts that authorized the payment of approximately \$579,570 for commissions the Institute paid employees in addition to their regular salaries. This arrangement may have violated the State of Louisiana Code of Ethics.

The OIG also found the Commission failed to exercise authority over its bank accounts because all signatories on the Commission's bank accounts were Institute officers or employees. The Commission also failed to approve the Institute's annual operating budget as required by the Contract between the Commission and the Institute and violated its record retention policy and Louisiana Public Records law.

"We deeply appreciate the continued cooperation of the Audubon Nature Institute and its staff in assisting with the completion of the second of three audits of operations. We believe the findings and recommendations justify serious consideration by the Institute, the Commission and the City Council."

In addition to today's report, the OIG released a brief with highlights. Go to <a href="www.nolaoig.gov">www.nolaoig.gov</a> to view all OIG reports.

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